(a) whether a proposal has been mooted by Government to set-up a Special International Investment Fund for the development of economic activities; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) There is no such proposal by the Government. However, while participating in the recent meeting of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund (IMF) held in November 2001, Finance Minister proposed creating of a special International Investment Fund which could open a concessional credit line to countries enabling them to undertake infrastructural development and other economic activities. Finance Minister advised that the Fund should be dedicated to development projects and should come as an additive to grants meant for social sectors such as education, health, sanitation and drinking water.

(b) Does not arise.

Income tax payment obligation for OCBs

2327. SHRI NTLOTPAL BASU : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware of the news-item captioned "Give like beggar and take like robber", which appeared in the Telegraph on 1st November, 2001;

(b) if so, whether it is a fact that the difference of Income tax payment obligation for OCBs is substantially less than that of the FIIs;

(c) if so. the details thereof and whether this is responsible for many FIIs taking advantage of this route as alleged in the report; and

(d) if so. the steps initiated by Government to plug this loss of revenue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir. However. Reserve Bank of India has since withdrawn permission given to OCBs for making any further investments under Portfolio Investment Scheme (PIS) with effect from 29th November, 2001.

(b) No. Sir.

(c) and (d) In view of (b) above do not arise.